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To:

Cc:

Subject: RE: NEW -

It looks like read the G.C.M. and Rev Rul. incorrectly, for example:

But the G.C.M. on page 5 explains that just because the overriding royalty has "separate property status of which is recognized not only under local law and in the marketplace, but also for federal tax purposes" does not make the contributed portion the taxpayer's entire interest and therefore deductible.